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Investments in Economic Growth and Structural Transformation of Russia

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ABSTRACT

The paper considers investments in fixed capital of the Russian economy and their impact on economic growth and structural transformation, which is understood as a change in the proportions between the basic sectors — processing, raw materials and transaction. In orthodox economic theories, gross fixed capital formation is given a central place in ensuring economic growth in the long term, although in practice there are many conditions that weaken such an impact. **The purpose of the study** is to identify the modes of the investment process in the coordinates of "investment − risk", determining the impact on the growth rate and assessing the distribution of investments by economic sectors that form the economic structure. This will allow specifying the tasks of development of the Russian economy, highlighting the directions of structural policy and measures to stimulate economic growth that go beyond the stereotypical orthodox approach, which reduces recommendations to an increase in the accumulation rate and investments. **The methodology of the study** is the theory of economic growth and structural dynamics, empirical and regression analysis of data, ideas about the investment process and measures to stimulate it, a method for assessing the risk by the standard deviation of gross profit. **The result is** that the article theoretically identifies several investment dynamics regimes, defining two basic investment types (according to the dynamics of investment and risk) — "risky" and "hedge". The current growth structure in Russia is assessed as based on risky investments, fixing the relationship between the main sectors and their contribution to the overall GDP growth rate. An empirical analysis of economic growth in Russia in the period 2000–2023 confirms that the dynamics of investments determined the growth rate, which in turn depended on changes in the risk generated by the institutional conditions of development. The risky type of investment also limited growth, and structurally, investments in fixed capital were mainly directed to transaction activities, then to the raw materials sectors and only then to processing. This circumstance actualizes the task of structural changes, which should be reduced to a change in the investment regime and institutional conditions that encourage capital renewal in the manufacturing sectors.

Keywords: economic growth; investment; risk; structure; economic sectors; investment policy; fixed capital; model

INTRODUCTION

Many tasks of economic development in Russia [1], set 30 years ago, remain relevant even after such a significant period, determining proposals for the growth trajectory of the Russian economic system today [2]. The task of accelerating the pace of economic growth and its structural transformation arises again. However, despite the large number of scientific works on industrial revolutions and technological changes [3–6], the paradox of "rapid industrialization" [7] is once again overlooked. This phenomenon occurs when the pace of industrial development — relatively fast — does not make a significant (in the sense of determining) contribution to GDP growth. In terms of contribution to growth rates, manufacturing and industry made the second largest contribution after transactional sectors throughout the entire period from 2000 to 2022.

Structural changes can be such that they can either slow down the growth rate, lead the economy to a crisis, or, conversely, ensure relatively high dynamics. The financial sector [8], the fiscal policy being implemented [9], the sanctions imposed against the country [10], as well as the structure of investments — public and private [11] — have a strong influence on growth, since it is investments that significantly affect the renewal of fixed capital.

The industrial system serves as the foundation for the development of the modern economy, despite the dominance of the service sector — comprising services and transactions — and the significant contribution of this part of the economy to its growth rate (in many developed countries, except for China [12]). It determines not only the growth of individual sectors, including services, but also shapes the trajectory of technological renewal. On one hand, the established structure of the economy predetermines the scale of investment and capital creation in the sectors. On the other hand, the pace of investments and their efficiency, as well as the structure of resource distribution, influence the future growth parameters of the economy.

What has been said allows us to formulate the goal of this study — to identify the established investment model of the Russian economy's development in the coordinates of "investment — risk" while identifying new tasks for forming an investment model of economic growth. The methodology consists of the theory of economic growth and the investment process, empirical and regression data analysis. The information base of the study is Rosstat data for the period 2000–2023.

Under the term "investments", the article discusses investments in fixed capital (gross fixed capital formation).

To achieve the research goal, it will be necessary to sequentially solve two relevant tasks.

Firstly, to build a theoretical model of the relationship between investments and risk, identifying the modes of the investment process of economic growth, and to identify the nature of this relationship for the Russian economy.

Secondly, to identify the structural characteristics of the investment process in Russia, their correspondence with the established sectoral economic structure in order to provide an overall assessment of the impact on economic growth. Let's examine each task in more detail.

RESEARCH METHODOLOGY: THE "INVESTMENTS-RISK" MODEL

For economic growth, it is necessary to update the capital base of the economy, to increase it, that is, it is required to invest in fixed capital, to increase the accumulation rate [13–16]. In China, this indicator reaches 35–40% of GDP [12], which creates the foundation for the investment model of economic growth.

It should be noted that such a model has not been observed in Russia over the past

30 years [17–18], which could not fail to affect the GDP growth rate. However, it is important to note that the magnitude of the accumulation rate, although necessary, is not sufficient for economic growth [18]. It is also important how investments in fixed capital are distributed across the structure of the economy, what the dynamics of the accumulation rate are, and what drives its growth. If the increase in the accumulation rate occurs at the expense of a reduction in gross consumption and the rate of consumer spending, it may have a stronger impact on growth, including the renewal of the capital base at the next stages of economic development, than the increase in the accumulation rate. The structure of investments, the risk of their implementation, the readiness of facilities to accept and utilize investments, as well as interest rates (but not only them) have a strong influence. The relationship between investments in fixed capital and risk can vary and shape the trajectory of economic development and the investment process itself, with institutional conditions and constraints also potentially having a significant impact on this process. Let us examine this relationship in more detail, using a modeling framework in the analysis, and then present empirical results for the Russian economy. The econometric model is constructed under the assumption of a relationship between investments and risk. Risk is assessed as the standard deviation of returns.[1]

In the paper [19, p. 155–157], a model of the relationship between investments and the risk of conducting economic activities of the following kind was proposed:

$$I = r^b e^{1-r}, \qquad (1)$$

where I — the amount of investments, in particular, investments in fixed capital ($I > 0$);

r — the amount of risk, assessed by the standard deviation of total (gross) profit ($r > 0$)[2];

b — the model coefficient, which essentially characterizes the relationship between investments and risk ($b > 0$). This is a numerical coefficient of the model, which is determined empirically.

The study of the possible relationship with the risk of this coefficient constitutes a separate task that was not included in this work. The existing literature includes various studies on the impact of investments, or risk and institutional changes on investments, finance, and banking on growth [20–26]. However, the different nature of the relationship between risk and investments, their joint changes, and mutual influence is usually not taken into account. The model presented above provides a general framework for researching various options for changing these parameters.

The constructed model links investments and risk. In any country, many factors influence investments. Here, investments in the Russian economy and risk, assessed as the standard deviation of profit, which characterizes the investment process itself, are examined. Other risk assessment methods are cumbersome, have similar drawbacks, and, in general, do not work. Variance provides a range of values, and where the risk is higher, the range will be more significant.

Following formula (1), let's present the graph of the relationship between investments and risk for different coefficients b (see *Fig. 1*).

Model (1) is a theoretical model, the construction of which, from our point of view, should take into account various scenarios of investment and risk dynamics, including the scenario with low risk, where a decrease

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[1] This is a standard, well-known method of risk assessment. It was used by the founding fathers of portfolio investment theory, J. Tobin and H. Markowitz.

[2] We assume that risk cannot be zero, meaning it is always present. For a quantitative assessment of risk, the standard deviation of the total (gross) profit is taken. It is evaluated using the standard formula for such calculations: $\delta = \sqrt{\dfrac{\sum_{i=1}^{n}(x_i - \mu)^2}{n}}$, where δ — standard deviation; x_i — value of an individual sample; μ — average arithmetic sample; n — sample size.
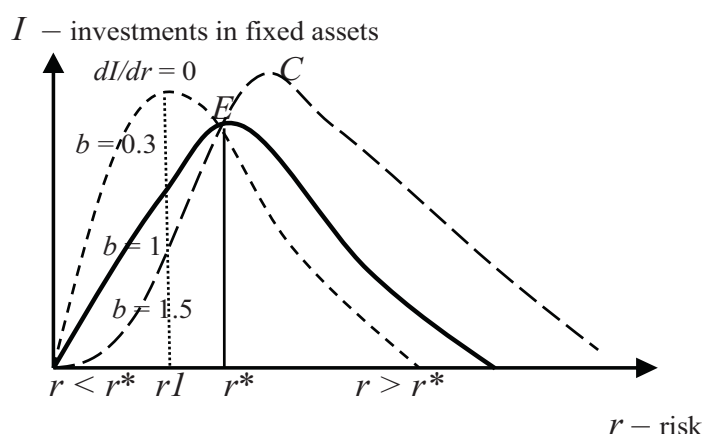
Fig. 1. **Investment and Risk According to the Model (1) [27]**
Source: Author calculation.

in risk may be accompanied by a decrease in investments. There are areas where an increase in investments is accompanied by an increase in risk, and a decrease in risk leads to an increase in investments (see *Fig. 1*). During the structural transformation of the economy, the risk may increase, but there are two possible scenarios: investments may rise (usually in the initial period) or decrease with the increase in risk when the structural transformation exhausts its potential. Structural transformation should be understood as targeted actions with necessary investments to change the proportions of the economic system, creating long-term conditions for its growth. A decrease in risk may lead to an increase in investments, but it may also be accompanied by a decrease if it reduces the need for investments in structural changes, which is reflected in the model in *Fig. 1* [19, 27].

The proposed and tested model (1) in several studies is interesting because it allows for the consideration of several modes of investment in the fixed capital of the economic system, identifying the state according to these modes for a specific economic system, after which changes can be introduced into the investment policy. From *Fig. 1*, constructed according to model (1), it can be seen that the situation differs for different risk levels concerning some

risk r^*, corresponding to the curve with point E and a coefficient value of $b = 1$ (see *Fig. 1*). If the current risk is less than this value r^*, then with the increase of the coefficient b, provided that the coefficient is initially less than one and reflects the institutional organization of the process of investing in fixed capital, with its increase, investments will decrease, and with its decrease, they will increase, as seen in model (1) and *Fig. 1*. Thus, to increase investments under the existing business risk, the coefficient b should be reduced. In this case, and given the adequacy of this model, additional research is required regarding the dependence of this coefficient on various institutional conditions. If the conditions are fixed, then for $b < 1$, the increase in investments occurs according to this model with an increase in risk. Therefore, when the risk $r < r^*$, its increase is permissible simultaneously with the growth of investments. It will not oppose the increase in investments up to the level $r1$, after which, with further increase in risk, investments will decrease (when $b < 1$).

With a risk of $r > r^*$ and $b \leqslant 1$, an increase in risk is observed to lead to a decrease in investments, according to model (1) and *Fig. 1*. This is already a different model of the "investment — risk" dynamics. If $b > 1$, then this decrease does not happen immediately; there is a section of increasing investments

Table

Investment Types and Modes (by Risk and Parameter b) for Investment Growth

Investments	For b > 1, b < 1
Risky (r < r*)	Decrease
Hedge (r > r*)	Increase

Source: Compiled by the author based on *Fig. 1.*

up to point C (section EC in *Fig. 1*). With a decrease in the coefficient *b* at relatively high risk, a decrease in investments will also be observed under otherwise equal conditions (see *Fig.* 1). Therefore, to increase investments at the same risk, it is necessary to increase the coefficient *b*, rather than decrease it, as is the case with relatively low risk *r < r*.*

Certainly, the model is constructed under the assumption of no relationship between the coefficient *b* and risk, but this relationship may arise because if the coefficient reflects institutional conditions, then their change and the introduction of certain rules can increase or decrease the risk of conducting economic activities and separately the risk of investing. As described above, various modes of the investment process emerge within the framework of the relationship between investments, risk, and institutional conditions. From this, economic policy measures arise (substantive assessment). Firstly, if the risk is relatively high *r > r*,* the parameter *b* should be increased and the risk lowered, which will contribute to the accumulation of investments up to point C. Secondly, with relatively low risk, it is beneficial to lower the parameter *b* and allow the risk to increase to the value *r1* or *r*.*

Guided by model (1) and the description of *Fig. 1*, we will identify four basic modes of the investment process that determine the nature of the renewal of fixed capital (economic funds) and thereby influence both the GDP growth rate and structural transformation. Two modes are distinguished when *b < 1*, and two when *b > 1*. And one mode each when *b = 1*, with risk being greater or less than the value *r*,* corresponding to the highest level of investment according to model (1) (see *Fig. 1*).

Based on the change in investments due to changes in risk, two basic types of investments can be distinguished: 1) "risky investments", which grow with an increase in risk (as confirmed by *Fig. 5–7*); 2) "hedging investments", which require a decrease in risk for growth. Since the coefficient *b* reflects the institutional support of the investment process, its decrease can be considered as a reduction in institutional dependence, while its increase can be seen as an enhancement of institutional regulation of this process.

For each type, two modes are allocated, depending on the required change in the coefficient *b* for increasing investments (see *Table*).

Thus, the type of investment process by risk will, in a certain sense, be determined by institutional changes. For risky investments, it should be reduced in the form of lowering the coefficient *b*. For hedge investments — increase it, in the form of raising *b*. It was mentioned above that *b* is the model coefficient, which may depend on a number of conditions of the investment process. Its study and dependence on various conditions $b = f(x1... xn)$ constitutes a separate task — both econometric, statistical, and empirical — that was not included in the scope of this article within the framework of the theoretical model. Therefore, the practical tools and scenarios determining this coefficient could constitute a separate research task.

With relatively low risk, it is necessary not to consider its increase for the purpose of increasing investments, but to change institutional conditions in such a way[3] that the coefficient *b* is reduced (assuming the adequacy of the model under consideration). With relatively high risk, both the risk itself

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[3] How exactly — this constitutes the direction for further research on the proposed model.

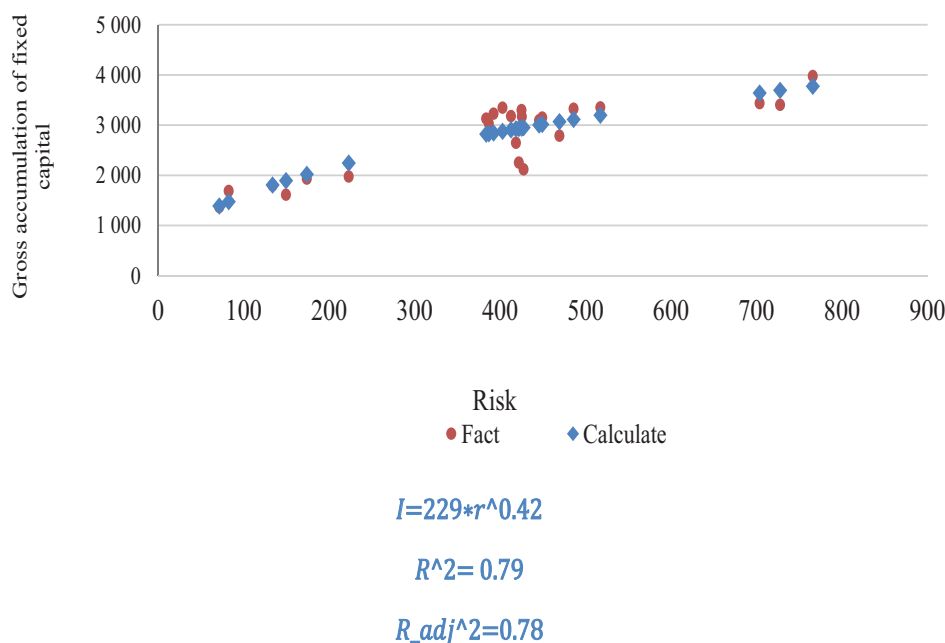$$I=229*r^{0.42}$$

$$R^2= 0.79$$

$$R\_adj^2=0.78$$

Fig 2. **Relationship Between Investments in Fixed Capital (Gross Accumulation) and Risk in the Russian Economy, Billion Rubles, in 2000 Prices, 2000–2023**

Source: calculated by the author based on Rosstat data. URL: https://rosstat.gov.ru/statistics/accounts; https://rosstat.gov.ru/statistics/finance; https://rosstat.gov.ru/statistics/accounts; https://rosstat.gov.ru/statistics/finance (accessed on 20.01.2025).

Note: Model statistics: F-criterion = 81.84; D-W calc. = 1.56 $\in$ [1.45; 2.55]; White test: $\chi 2$ calc. = 2.35; $\chi 2$ crit. = 3.84.

should be reduced and the coefficient b increased to boost investments.

Let's outline the algorithm for further research in the form of the following three main steps.

Firstly, let's determine the relationship between gross accumulation (investment in fixed capital) and risk over the period from 2000 to 2023, as well as the growth rates of GDP and gross accumulation.

Secondly, we will determine the nature of investment in Russia (risky and hedging investment processes), and analyze the structure of investments in fixed capital by economic sectors (manufacturing, raw materials, and transactional).

Thirdly, we will formulate the tasks of structural transformation in light of the economic growth policy implemented within the framework of the investment development model.

Let's apply the above-described methodology to the study of investments in the Russian economy, for which a truncated model (1) in the form of an exponential function will be valid (selected using the model selection method). We will implement the introduced research algorithm.

INVESTMENTS, RISK, AND ECONOMIC GROWTH IN RUSSIA

For the Russian economy, a variant of model (1) in the form of an exponential function of investments dependent on risk is possible, then $I = r^b$, where the coefficient b can be greater or less than zero. Analyzing such a model, it is not difficult to show that the boundary point will be the equality of the amount of investments and risk (for any value of b). If the risk is above this value for both b < 0 and b > 0, increasing the coefficient for the given risk will correspond to a larger amount of investments. If the risk is less than the amount of investment, then lowering b will correspond to a greater amount of investment for the same risk, both for b < 0 and for b > 0.
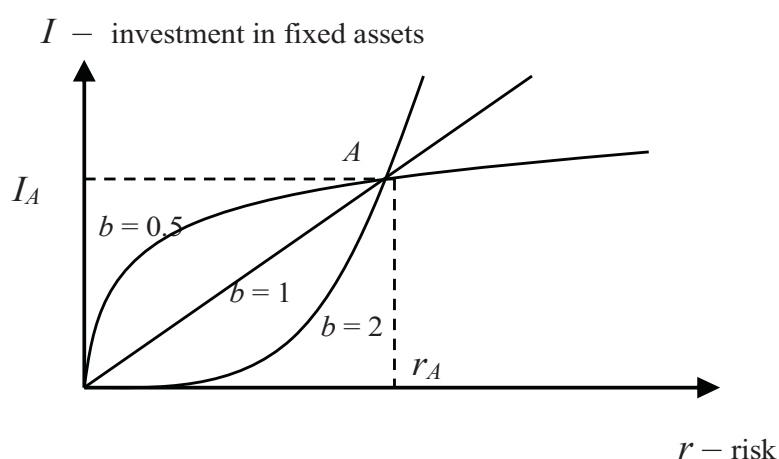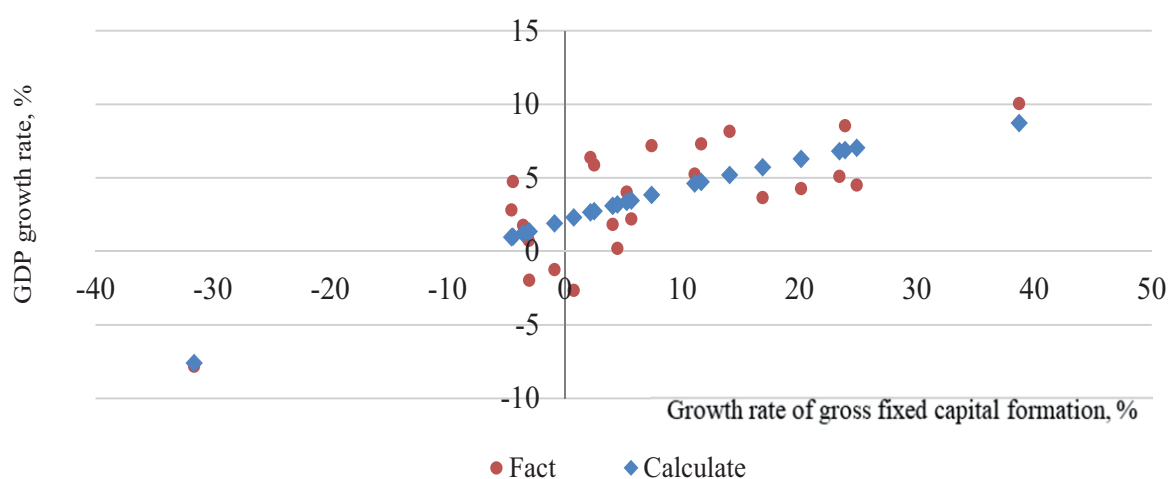
Fig 3. **Diagram of the Relationship Between Investment and Risk for Different Values of the Coefficient *b***

Source: Author calculation.

$$y=-0.002*i\text{^}2+0.3*i+2.1$$

$$R\text{^}2= 0.61$$

Fig. 4. **Russia's GDP Growth Rate and Gross Capital Formation Growth Rate, 2000–2023**

Source: calculated by the author based on Rosstat data. URL: https://rosstat.gov.ru/statistics/accounts https://rosstat.gov.ru/statistics/accounts (accessed on 20.01.2025).

Fig. 2 shows the relationship between investments and risk for Russia over the period 2000–2023. As we can see, the regression model is an exponential function with a coefficient *b* = 0.42 > 0. With increasing risk, investments also rise. This corresponds to the situation to the left of point r* in *Fig. 1*, that is,

the regime of risky investments, although the model in *Fig. 2* differs from the model in *Fig. 1*. However, the range of change in coefficient *b* that contributes to increasing investments for a certain level of risk is limited, as if the risk exceeds a certain value, a decrease in the positive coefficient *b* will lead not to an
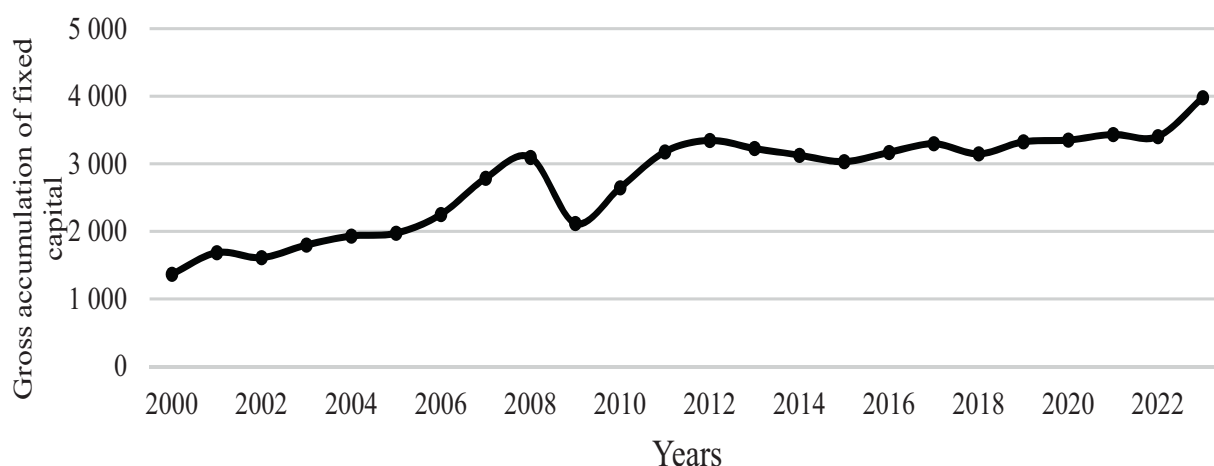
Fig 5. **Gross Fixed Capital Formation in Russia, 2000–2023 in 2000 Prices, Billion Rubles**

Source: Built built by the author on the basis of Rosstat data. URL: https://rosstat.gov.ru/statistics/accounts; https://rosstat.gov.ru/statistics/accounts (accessed on 20.01.2025).

increase, but to a decrease in investments. This situation is schematically shown in *Fig. 3*. To the right of point A, there will be a reduction in investments for this level of risk, in contrast to what will be observed to the left of point A (see *Fig. 3*).

The empirical analysis of *Fig. 2* does not provide an understanding of how to adjust the value of coefficient *b* and by what methods. This requires additional research, and quite extensive, which constitutes the content of the analytical development task — its formulation is proposed here, but its solution goes beyond the scope of this article.

Fig. 2 provides an overview of the established elasticity of investments in fixed capital with respect to risk in the Russian economy.

The task of determining the impact of investments on the growth rate and structural transformation should be reduced to identifying the conditions and methods of their changes that specifically affect this indicator. This determination will undoubtedly influence the rate of increase in investments in fixed capital. And the rate of increase in investments, in turn, cannot fail to affect the overall dynamics of Russia's GDP.

The relationship between the GDP growth rate and the gross accumulation growth rate is illustrated in *Fig. 4*.

The spread of empirical points in *Fig. 4* and the fitted regression indicate that a higher growth rate of investments ensures an increase in the growth rate of the economy, while a lower growth rate of investments corresponds to a lower growth rate of the economy. The approximate ratio is as follows: a 10% increase in gross accumulation corresponded to a GDP growth rate of about 5% (slightly lower), and a 20% increase corresponded to a GDP growth rate of 7–8%.

It is important to note that with a zero growth rate of investments and even with a slight decline of up to 2%, a positive growth rate of the Russian economy was ensured. These speed ratios indicate that the established structure determines the sensitivity of GDP to gross accumulation, the distribution of investments across the economy, and the resulting rate of GDP growth, which is also influenced by other factors (sources) of growth. In this regard, increasing the accumulation rate cannot guarantee economic growth; rather, the assessment of the structure of investment
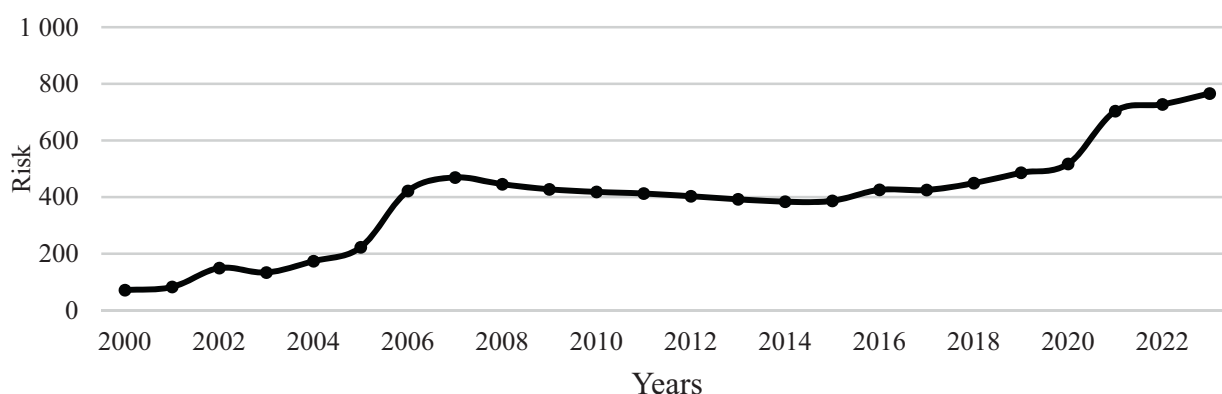
Fig. 6. **Risk Dynamics in Russia, 2000–2023, in 2000 Prices, Billion Rubles**

Source: calculated by the author based on Rosstat data. URL: https://rosstat.gov.ru/statistics/finance; https://rosstat.gov.ru/statistics/finance (accessed on 20.01.2025).

distribution across sectors, measuring their contribution to the overall economic growth rate, is more valuable. Such an analysis indeed represents the consideration of structural transformation in terms of investments and growth. Of course, the regression in *Fig. 4* is valid within the real range of the parameters involved and shown in the figure. When there is a significant deviation beyond these boundaries, it is necessary to select a different model (this regression is demonstrative, by the way, with a rather low determination $R^2 = 0.61$).

Economic growth, in its style, can be based on risky or hedge investments. However, both the dynamics and the magnitude of investments will determine overall growth, taking into account the nature of the investments in fixed capital (how the renewal process is going) and their distribution structure. Let's move on to examining how investments are distributed across the three basic economic sectors — processing, raw materials, and transactional.[4]

INVESTMENTS IN STRUCTURE (RAW MATERIALS, PROCESSING, AND TRANSACTIONAL SECTOR) OF THE RUSSIAN ECONOMY

In classical theories of economic growth, investments and the creation of capital funds are considered fundamental conditions for the long-term growth and development of the economic system [7]. Models with variations of growth factors still rely on this foundation, regardless of the dominance of sectors of material production or service activities, which has long been observed in the modern economies of developed countries. Capital shapes the structure of the economy, alters it, but also becomes a derivative of this structure, as investments are distributed according to the already established proportions between types of activities, their profitability (efficiency), and the set development goals and methods of regulating this development. *Fig.5* shows the dynamics of investments in

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[4] In total, three sectors contribute to the GDP of the Russian economy. The composition of the sectors is determined in accordance with Rosstat data on the following types of activities. The raw materials sector includes agriculture, forestry, hunting; fishing and aquaculture; mining; electricity, gas, steam supply and air conditioning; water supply; wastewater management, waste collection and disposal, pollution remediation activities. The manufacturing sector includes manufacturing industries;

construction. The transactional sector includes wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; information and communication activities; financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities; public administration and defense; social security; education; human health and social work activities; arts, entertainment and recreation activities; other service activities. Source for Russia: Rosstat data. URL: https://www.gks.ru/accounts (accessed on 20.01.2025).
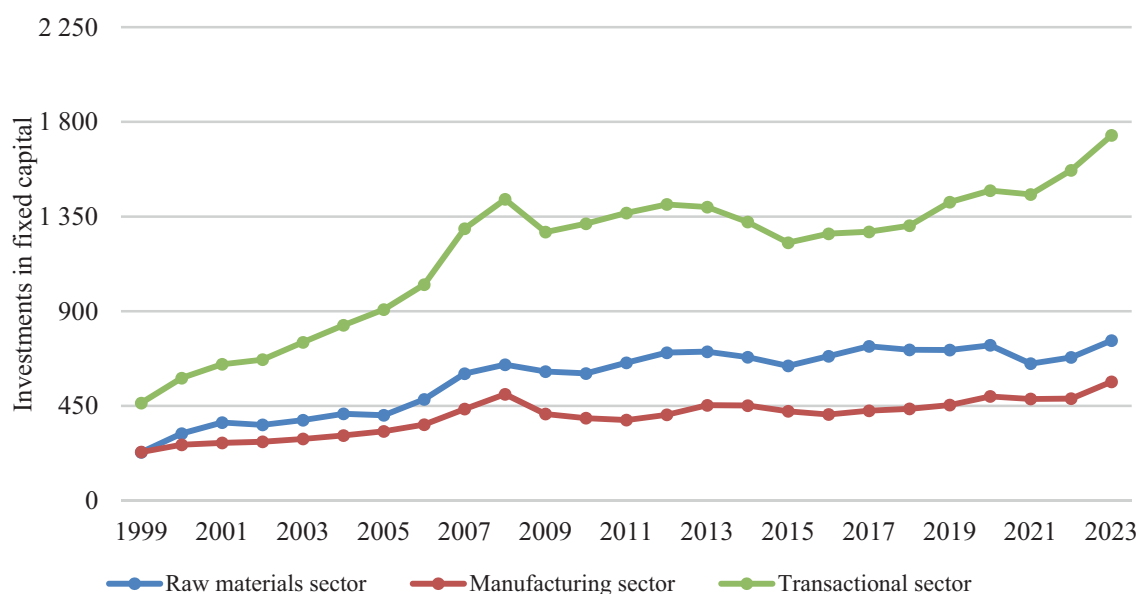
Fig. 7. **Distribution of Investments in Fixed Capital Between Three Basic Sectors of the Russian Economy, 1999–2023 Billion Rubles in 2000 Prices**

Source: Calculated by the author based on Rosstat. URL: https://rosstat.gov.ru/statistics/accounts; https://rosstat.gov.ru/storage/mediabank/Tab-inv-okved.htm; https://rosstat.gov.ru/statistics/accounts; https://rosstat.gov.ru/storage/mediabank/Tab-inv-okved.htm (accessed on 20.01.2025).

fixed capital (gross accumulation) in Russia during the period 2000–2023 at 2000 prices. *Fig. 6* shows the dynamics of risk.

Let's note that from 2011 to 2022, there was no significant growth in investments in 2000 prices. There was a slowdown in the investment process, which was quite prolonged, and its stabilization at approximately the 2008 level (see *Fig. 5*). In the period from 2000 to 2008, investments in fixed capital more than doubled. Significant growth in investments only occurred in 2023 due to the activation of the budgetary mechanism, the implementation of national projects, and the resolution of development tasks in the manufacturing sector (including defense tasks).

Risk also increased during the period 2000–2007, and at a faster rate than investments in fixed capital, almost 5 times (*Fig. 6*). Then there was a slight decrease until 2015, after which it rose almost 2 times by 2023. Thus, from 2010 to 2012, investments increased with a slight decrease in risk. Subsequently, risk did not increase, but investments did

not significantly increase either. From 2020, there was an increase in risk with a slight increase in investments, then the increase in risk was accompanied by an increase in investments. Thus, there are segments in the evolution of the investment process where a decrease in risk is accompanied by an increase in investments, as well as an increase in risk observed with an increase in investments, but the increase in risk outpaces the increase in investments (2000–2007). A similar scenario is observed in 2021–2023, where the increase in risk outpaces the increase in investments (*Fig. 5, 6*).

The renewal of fixed capital, on the one hand, reflects changes in the growth potential of specific types of activities and economic sectors. On the other hand, the scale of investment in fixed capital is determined by the scale of the sector, industry, the development tasks of specific types of activities, and the emerging need for capital and its renewal.

From *Fig. 7*, it can be seen that the largest volume of investments in fixed capital was

allocated to the transactional sector of the economy, followed by the raw materials sector, and then processing. It should be noted that in terms of GDP share, processing even outpaced the raw materials sector, and the scales of the sectors equalized around 2018, each accounting for about 20% of Russia's GDP.

However, the fixed capital of the raw materials sector required significant investments for maintenance and renewal. Moreover, for a considerable period during the examined timeframe, this sector was more dependent on equipment supplies than processing. The distribution of investments generally mirrors the structure of the sectors, but with a slight difference in the shares of the raw materials sector and processing in terms of investments, there is a clear mismatch with the scale of the sector in terms of GDP. *Fig. 5–7* illustrate this. From *Fig. 7*, it is evident that the share of the transactional sector is higher, followed by the share of the raw materials sector, and then processing.

It should be noted that while the scale is more or less clear, the dynamics of investments in fixed capital clearly surpassed those in the transactional sector compared to the processing and raw materials sectors, where it was quite sluggish (*Fig. 7*), especially after 2009 and up until 2022. In the transactional sector, the revival of investment dynamics occurred in 2017–2018. This is indicative, as it was precisely the service economy that was actively forming and developing, due to the narrowing of material production opportunities and the deindustrialization taking place over several years [19]. Thus, the distribution of investments reflected the emerging structure and solidified it, forming the proportions between the basic sectors of activity in the economy. This also affected the credit activity of the banking system in its influence on economic growth [28].

Usually, all else being equal, a lower level of risk corresponds to a higher growth rate of gross accumulation (investments in fixed capital), and a higher growth rate of investments positively affects the growth rate of GDP. Therefore, measures that reduce the risk of investing and creating fixed capital become the defining growth policy for Russia. Along with the task of distributing these investments across economic sectors, they constitute the true content of structural-institutional growth policy. Ignoring the modes of investing in fixed capital depending on the dynamics of risk means neutralizing the contribution of investments and neglecting the established structural conditions of growth, which need to be changed through targeted actions by the state.

CONCLUSION

Summarizing the conducted research, we highlight the most valuable conclusions.

Firstly, the Russian economy demonstrated a risky type of growth in terms of the main capital investment regime. Moreover, economic growth did not correspond to the investment model, as gross consumption continued to make the main contribution to economic dynamics, while the rate of main capital accumulation remained relatively low [18]. Furthermore, the increase in this rate under the conditions of an established risky type of investment, where investment growth is accompanied by a noticeable increase in risk, will increasingly less determine the current GDP dynamics due to the saturation of the investment growth rate, with not such a high determination of growth and investment rates.

Secondly, the established economic structure shapes the distribution of investment flows among the three basic sectors of the Russian economy. On the one hand, this reinforces the existing proportions, and on the other hand, it determines the contribution of these sectors to the overall GDP growth rate.

Thus, the investment model of economic growth requires construction taking into account the structural features and other qualitative characteristics of the investment

process. This implies an economic policy that creates not only general macroeconomic conditions for the renewal of fixed capital (relatively inexpensive credit, advance capital, currency stability, low price dynamics) but also a diversified sectoral policy that influences the dynamics of investments and the scale of fixed capital investment in the considered sectors of the Russian economy. Without such an approach, discussions about structural policy or some spontaneous shifts that stimulate economic growth in Russia seem meaningless. It is necessary to institutionally structure the economy so that growth zones imply a reduction in the risk of investing fixed capital, while bloated activities that are not development priorities ensure a relatively higher risk, which would be inversely related to the investment process (when risks would lead to a distortion in the level of fixed capital renewal). This approach, in our opinion, constitutes a distant yet promising prospect for the theory and practice of economic policy, shaping the contours of new development tasks and methods of state development management.

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